

Studio Unit @ \$250/month	\$3,000.00	
2BR-Unit @ \$300/month	\$3,600.00	
3BR-Unit @ \$400/month	\$4,800.00	
3BR-Unit @ \$400/month	<u>\$4,800.00</u>	
<b>Potential Gross Income</b>	<b>\$16,200.00</b>	
Less: Vacancy & Collection Loss (20%)	<u>(\$3,240.00)</u>	
Equals: Effective Gross Income	\$12,960.00	
Less: Property Taxes (actual)	(\$1,876.00)	
Less: Property Insurance (\$0.75/SF)	(\$1,575.00)	
Less: Contingencies (5% of EGI)	(\$648.00)	
Less: Reserves for Replacement (\$0.25/SF)	<u>(\$525.00)</u>	
<b>Net Operating Income</b>	<b>\$8,336.00</b>	
Divided by: Cap Rate	10.50%	11.50%
Equals: Overall Value	\$79,390.48	\$72,486.96
<b>ROUNDED TO</b>	<b>\$80,000</b>	<b>\$73,000</b>
Per SF	\$38.10	\$34.76